## Fiscal Estimate - 2013 Session

☑ Original ☐ Updated	Corrected Suppl	lemental			
LRB Number 13-1812/2	Introduction Number AB-01	81			
<b>Description</b> Venture capital investment program					
Fiscal Effect					
Appropriations Reve	ease Existing enues rease Existing enues  To absorb within agence enues  Decrease Costs				
Indeterminate  1. Increase Costs Permissive Mandatory  2. Decrease Costs Permissive Mandatory  5. Types of Local Government Units Affected Towns Others School Districts Districts					
Fund Sources Affected Affected Ch. 20 Appropriations  GPR FED PRO PRS SEG SEGS 20.005					
Agency/Prepared By	Authorized Signature Date				
WEDC/ Sam Berndt (608) 210-6803	Amy Young (608) 210-6711 5/1/2013				

## Fiscal Estimate Narratives WEDC 5/1/2013

LRB Number 13-1812/2	Introduction Number	AB-0181	Estimate Type	Original	
Description					
Venture capital investment program	1				

## **Assumptions Used in Arriving at Fiscal Estimate**

Assembly Bill 181, relating to the "creation of a venture capital investment program," provides \$25,000,000 in new General Purpose Revenue (GPR) funds to create a venture capital program in Wisconsin. The bill requires the Wisconsin Economic Development Corporation (WEDC) to do the following:

- 1. Contract with an investment manager to manage investments in venture capital funds and Wisconsin businesses:
- 2. Before contracting, WEDC and the State of Wisconsin Investment Board (SWIB) must form a committee to select the investment manager and submit the proposed contract with the selected investment manager to the Joint Committee on Finance (JFC) for a passive review;
- 3. Requires WEDC to pay \$25,000,000 to the approved investment manager for investments in venture capital funds;
- 4. Must submit a copy of the investment manager's annual report (including a certified audit, the investment manager's internal rate of return from investments in venture capital funds, a list of each venture capital fund that received funding, and information on each business that received an investment) to the legislature each year; and
- 5. Requires WEDC to submit to JFC two progress reports, one in 2015 and one in 2018, containing comprehensive program performance to date, program improvements recommendations from WEDC, and program improvement recommendations from SWIB.

WEDC would be able to absorb costs associated with these requirements and there is no additional financial impact for the Corporation for the execution of the bill's provisions.

**Long-Range Fiscal Implications**